

MEMORANDUM



TO: EEHVS Task Force

**FROM: Jim Zito
Mike Alvarado**

SUBJECT: Proposal for Future Development in District 8

DATE: September 25, 2006

RECOMMENDATION

This proposal represents a significant progress in joining community group interests represented within the EEHVS opportunity area. It is recommended that the **Evergreen * East Hills Vision Strategy** Task Force adopt this proposal as its recommendation to be considered by the San Jose City Council.

EXECUTIVE SUMMARY

Introduction

Further development within San Jose Council District 8 (called Evergreen-East Hills Project) presents opportunities as well as critical decisions for residents and the City of San Jose. The expected provision of improvements to Highway 101, Capitol Expressway, and city streets traffic infrastructure, creation and expansion of community parks and recreational facilities, and substantial addition of affordable housing through developer funding is an unusual opportunity in these times of greatly reduced funding from traditional Federal, State and local government sources.

It is widely recognized that any further development within District 8 will worsen existing quality of life issues experienced by our residents. In addition, any proposed development of sites within the district conflicts with existing San Jose City policies for traffic levels of service and industrially-zoned land conversion to housing. This proposal, representing significant community input, is a superior alternative to any other proposal for development. This plan provides for all needed traffic infrastructure improvement as well as requested community amenities, but with significantly fewer housing units.

Current development proposals calling for 5700 housing units represents a gross sales value of approx. \$3.2 Billion which is 6.5 times the 2006-2007 Capital Improvement Program budget for the City of San Jose. The EEHVS is a unique opportunity to leverage this "economy of scale" to achieve a balance of community improvements and investor / developer profits.

Background:

- Existing Evergreen Development Policy (EDP rev 1995) requirements for traffic Levels of Service (LOS) have already violated at several intersections by past and current development, and are at LOS E & F at several locations. Additional development cannot take place unless traffic conditions are improved or the EDP is changed.
- Highway 101 freeway access improvements are unlikely to be funded by State or other sources in the near future. Without these improvements, further development would severely impact the greater District 8 community.
- The jobs/housing imbalance in San Jose is among the worse in Silicon Valley, and District 8 is the largest bedroom community for San Jose. Moreover, 517 *existing* housing allocations on EDP lands are yet to be developed.
- District 8 schools (elementary, middle, high schools) are overcrowded, understaffed, and under-funded.
- District 8 does not currently accommodate its fair share of the San Jose's affordable housing.

Base Recommendations

The following base recommendations have been incorporated into this proposal:

- Currently, no additional State funding has been made available for Highway 101 or other traffic infrastructure improvements. If funds do become available, these funds will be collected and used solely for maintenance and operations of the project area amenities if allowed. In any case they will be allocated solely for EEHVS project area purposes.
- Residential development on the Arcadia site cannot occur until light rail or alternative transit “breaks ground” on a Capitol Expressway/Eastridge Station. However, the Arcadia Community Center should be constructed in Phase I or II of the overall project. Such triggers will be defined in the corresponding updated EDP.
- There is a minimum goal of 19% affordable residential units, with Arcadia providing at least 20%, and the Evergreen Valley Community College site providing at least 40% of total affordable units. Overall, background unit projects would be required to meet this goal as well.
- All traffic infrastructure improvements and amenities are funded 100% by development unit sales, not a buyer funded CFD. If a buyer funded Community Facilities District (CFD) funding is adopted, the total number of units developed will be reduced proportionally.
- The Pleasant Hill Golf Course site will have 40% reserved for Parks & Open Space.
- Background “pool” units would contribute to amenities and infrastructure funding in the same proportion as proposed project units.

Positions on Development Elements

Extensive research has determined that for sale residential unit selling prices are approximately **\$400** per square foot of living space. Therefore we conclude that **\$244 million worth of amenities can be built with provisions for operational expenses, based on 4000 dwelling units and 300,000 square feet of commercial development.**

Number of housing units and sample mix based on opportunity site:

	Arcadia	Campus Industrial*		Pleasant Hills Golf Course**	Evergreen Valley College***	No. Units
Large Lot Conventional	0	450		175	0	625
Small Lot Conventional	0	150		125	0	275
Small Lot AL	0	125		125	0	250
Town Home	700	75		100	130	1005
Multi-Family	700	0		0	50	800
Affordable/Work	400	100		75	120	695
Dist 8 Background Pool	--	--		--	--	400
Total units	1800	900		600	300	4000
Gross acres	81	200		114	27	542
Gross DU/acre	22.22	4.50		5.26	11.11	(8.53)

* 120 contiguous acres retained on opportunity site for job retention and parks. (possible HS site)

** 40% to be allocated for parks & open space

*** **Or a High School Site on the entire 27 Acres - This would NOT reduce amenities funding.**

Note 1: All housing and commercial development will be compatible with adjoining and existing housing in terms of unit density, architectural style, and building height – Max = 4 stories

Note 2: Distribution of affordable units subject to change as long as ~19% assured for total development

Total professional, commercial/retail space and sample allocation:

Site	Area (ft ²)	Notes
Campus Industrial	0	Retain 120 ac as Campus Industrial, Parks & Open space
Arcadia	100,000	Light commercial, small office & business; medical/dental
Pleasant Hills Golf Course	50,000	Light commercial, small office & business; medical/dental
Evergreen Valley College*	100,000*	This site will NOT construct another area Supermarket
District 8 Pool	50,000	Distributed small office & business; medical/dental
Total	300,000	(* Assuming a HS is not built)

Traffic and Parking

- Reduce traffic impacts to assure **LOS D** or better, but no worse than existing EDP (1995) requirements.
- Street and parking design will accommodate a free flow of traffic with adequate parking to accommodate additional unit occupancy growth. Tandem parking designs will not be permitted in 2-car garage designs.
- To mitigate the Capitol Expressway LR impact, the City Council will recommend that the VTA modify its plans regarding the LR project, dropping its requirement to remove traffic lanes, and retain all four traffic lanes in each direction, converting the current HOV lanes into a full use, mixed flow lanes.
- Considering Caltrans response to Hwy 101 improvements in the EIR, the City of San Jose must secure an agreement with the appropriate agencies that will ensure improved throughput on Hwy 101. Otherwise project recommended and funded improvement will not provide the required traffic mitigation.
- Mitigation must be provided in the Arcadia project area for impacts, such as cut through traffic, created by development of greater community serving amenities such as ball fields and shared community facilities.

Industrial Land Retention

- Retain 120 acres of the Campus Industrial site for industrial development, jobs creation, parks and open space, or a possible High School site

Funding for Traffic Improvements and Amenities

- Funding for traffic improvements and amenities are provided by developer contributions from gross sales. Community Facilities District (CFD) mechanisms will not be used if it entails levying assessments on new homebuyers.
- Amenities will be funded by proposed developments, based on the original Evergreen Visioning Project Amenities document, and prioritized by the EEHVS Task Force.
- All future background units built will have an amenities contribution levied equivalent to an average of 11% of total amenities fund value, or an amount proportional to proposed opportunity site units being considered. A sliding scale may be used to provide incentive for affordable housing and other public policy goals.

Schools and Library Recommendations

- Recognizing the imminent need for a new high school facility to accommodate both existing and proposed growth in the area, the EEHVS recommendation must include a clear plan to provide land suitable to accommodate a full size high school campus within the EEHVS opportunity sites. This is necessary to meet the guiding principle under "**Key Outcome #3**" which states "**Ensure adequate capacity at Evergreen schools without sacrificing a quality educational environment**". Without such a plan the current high schools serving this growth area will remain overcrowded, thus violating this guiding principle.
- **This proposal calls for dedicating a high school site, fully utilizing its 27-acres, on the Evergreen Valley Community College site.** Provided a long-term lease including a joint-use agreement to share the college's sports facilities and parking structures can be arranged, this site is ideal to serve the high school needs and satisfy the guiding principle. The synergies with the college are obvious and numerous. If an agreement between the college and high school district cannot be reached by the time the matter is voted on by City

Council, then a suitable site must be dedicated from another location within the EEHVS opportunity sites.

- Impact fees will be levied on developments as provided by State law to contribute to school building costs. In all development scenarios, all necessary schools for K – 12 must be provided in the affected district(s).
- K – 8 Schools and Parks/Community Centers will implement joint-use and joint-control proposals to the greatest extent possible to maximize community use, return on amenity investment and reduce ongoing maintenance & operations costs. Joint-use and joint-control agreements between schools, sports fields and community centers will require that communities have equal access to facilities and programs. Emphasis should be on maximizing utility of facilities by surrounding communities, except for school activities held during regular school hour. A recommendation is 21 acres for school and sports facilities on Campus Ind.
- A new Evergreen library branch (up to 14,000 sqft) will be built from currently available funding supplied by the San Jose Branch Library Bond Measure. No amenities monies will be spent on this project, and the existing Evergreen Community Center is to be retained.

Affordable Housing

- Require at least 19% of total development be affordable housing, not necessarily equally distributed.
- If the EVCC site is approved as a High School site, this would reduce the overall affordable count to ~ 17%.
- Arcadia site will provide at least 20% affordable housing units, consistent with City redevelopment policy.
- Recommend that Evergreen College site provide at least 40% affordable housing units, assuming no HS.
- Affordable housing will be provided as proposed on other opportunity sites, & background development.

Other Proposal Requirements:

1. To the extent possible, the local job market will have first priority to work on EEHVS projects.
2. Any traffic or amenities funding collected or offset by State and/or Federal sources will be reinvested in EEHVS site community projects.
3. All development will be planned following current development design guidelines without variance. The City of San Jose Riparian Corridor Policy will be followed without variance.
4. All development will contribute appropriate PDO/PIO fees in affect at the time of development plan approval.
5. All interfaces with existing adjacent neighborhoods will be at current density and compatible architecture.
6. The **Campus Industrial** development area will include up to 21 acs for K – 8 School, open space and fields.
7. Building heights on **EVCC** and **Arcadia** will be limited 60 feet and a maximum of 4 stories, but only for multifamily residential development. All other development will be limited by the current design guidelines.
8. In the event there is commercial development on the **EVCC** site, it will not include a supermarket.
9. **Arcadia** development will incorporate an Ownership/Rental ratio of 60/40% and additional acreage for an elementary school, adult sports complex and Community/Youth center per West Evergreen Neighborhood Improvement Plan and applicable SNI. The Community Center will have priority timing for development.
10. **PHGC** – Rezoning allows 60% residential and 40% open space, schools, park, firehouse, etc, as follows:
 - 1 – 2 acre Firehouse
 - 10 acres elementary school site and associated sports fields
 - 3 acres light commercial / professional office space
 - Amenities as proposed by community groups

Proposal Mapping to “*Vision and Expected Outcomes*”
(Approved by City Council 6-21-05)

1. Use the Guiding Principles (dated Nov 2003) as a basis for a vision of improved quality of life and enhanced livability by fostering vibrant commercial/business, mixed use, and residential areas linked by various transportation modes and community amenities. These Principles are incorporated by reference in their entirety in the Key Outcomes document.

Conformance: The proposal is responsive to these guidelines, with an emphasis on an *improved quality of life*.

2. Maintain the delicate balance of the “three legged stool” between new development, transportation improvements, and community amenities.

Conformance: The proposal provides a fair and balanced plan between development, transportation improvement, and community’s amenities, with a keen eye toward an *improved quality of life* for the overall community.

3. Create a financially feasible plan with the appropriate use of Community Facilities District(s), developer contributions, and other mechanisms for the completion of transportation improvements and community amenities.

Conformance: The use of mechanisms to sequester funds so they are available without impairment for the project has been provided for by this project. The precise mechanism is still under study.

4. Explore the creation of affordable and mixed income housing to meet the needs of all household types by meeting the inclusionary housing requirements on sites in Redevelopment Project Areas and through other mechanisms, such as an inclusionary requirement on lands being converted from industrial uses.

Conformance: The proposal delivers affordable housing equal to ~19% of the total new housing construction.

5. Create opportunities for both home-ownership and rental units throughout the study area, and ensure a balance of ownership and rental housing on the Arcadia site.

Conformance: The proposal is responsive to these guidelines, providing several opportunities for mixed unit types.

6. Explore opportunities to increase workplace density on existing industrially zoned land to create mixed-use opportunities, utilizing information provided in the “Trade-Off Analysis.”

Conformance: The proposal retains lands to provide for appropriate workplaces and mixed-use opportunities.

7. Capture new retail and commercial opportunities while strengthening all existing retail including the commercial center at the Evergreen Village.

Conformance: 300,000 square of new, mixed, commercial development is proposed while protecting the current and on-going investment in the Evergreen Village.

8. To the fullest extent possible, work with affected school districts to ensure adequate school capacity without sacrificing a high quality education environment.

Conformance: Both primary and secondary educational facilities are addressed in the proposal. Adding new K – 12 school facilities is required by the increase in population the new housing development will generate.

9. Establish a ten-year supply, or “bank”, of residential unit allocations beyond the four opportunity sites to facilitate infill and reuse development in the study area.

Conformance: 400 additional background “pool” housing units are provided for by this proposal.

10. Protect, enhance, and/or restore natural resources, particularly streams, watersheds, and trees, as part of all private and public development (including parks, trails, etc.).

Conformance: The proposal requires full adherence to existing riparian development guidelines, and proposes the addition of numerous integrated parks and trails projects. The intent is to create a vibrant, useful, linked set of local and regional parks and trails, with full access by the surrounding communities.

Amenities Prioritization (in order of preference)

1. Community Youth Sports Fields (Evergreen Little League) – (A)
2. Community/Youth Center & Gym on Arcadia (30 – 40k sf) – (I)
3. Mount Pleasant Multiuse complex – (AC)
4. Trails, Bike Lanes and minor traffic calming – See Note Below....
5. Sports fields and Park improvements on Industrial site / New neighborhood park – (Ba/Bb)
6. Adult Sports Complex on Arcadia – (K)
7. Community Center on Pleasant Hills – (AD)
8. Fowler Creek Park Master Plan II & III – (E)
9. New neighborhood park on Pleasant Hills (turn-key) – (L)
10. Youth Sports Complex on Pleasant Hills – (AP)
11. Sport facilities at August Boeger Jr High /Fernish Park – (N)
12. Aquatics Center – (P)
13. Ocala Softball Fields – (AA)

NOTE: These items should be funded by amenities monies, and considered as one item (4.) due to minimal cost:

- a. Upper Silver Creek Trail – (D)
- b. Open Space and Trail connections (Upper Silver Creek) – (F)
- c. Thompson Creek Trail – (AG)
- d. Bike lanes for appropriate corridors – (AJ)
- e. Minor Traffic Calming – (AL)

Items that should be funded as part of Capitol Light Rail project, NOT EEHVS funds:

- A single Eastridge (Nieman/Lake Cunningham) Pedestrian Over crossing – (AH/AI)
- Transit enhancements – (AK)

Items that should be funded through existing PIO/PDO or other General Fund money, NOT EEHVS funds:

- Lake Cunningham Regional Skate Park – (C)
- Build-out of Groesbeck Park – (M)
- Lake Cunningham Park improvements – (O)
- All remaining Neighborhood Park improvements – (R thru X)
- Additional Tennis Courts (\$100k ea) – (Y)
- Hank Lopez Community Center & Hillview Library renovation – (Z)
- PG & E (Wenlock Trail) – (AB)

Items already funded or should be funded by Public Works, NOT EEHVS funds:

- Yerba Buena/San Felipe roads improvements by creek – (J)
- New Traffic Signals and other major intersection/roadways – (AE)
- Intelligent Transportation System (ITS) Network – (AF)
- Street trees – Our City Forest (?) – (AM)
- Curb ramps – ADA requirement – (AN)
- Median Island landscaping – (AO)

Items that should not be considered at this time due to cost or lack of need:

- Recreational Ice Skating Rink – (G)
- Southeast Branch Library Expansion – (Ha/Hb) (12,000 sf already funded. Keep ECC)
- Evergreen Community Center reuse as Library – (Q)